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SUBJECT: MEETING BETWEEN ASSISTANT SECRETARY SHANNON AND ARGENTINE GOVERNMENT OFFICIALS; ARGENTINE PRESIDENT KIRCHNER'S SPEECH AT THE UN GENERAL ASSEMBLY; NON ALIGNED MOVEMENT MEETING; 09/21/06; BUENOS AIRES

1. SUMMARY STATEMENT

Today's major papers report on the meeting between Assistant Secretary Shannon and Argentine Government officials. Leading

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"Clarín" highlights that "the US Department of State is following with much interest the Argentine Government's initiative aimed at convincing US investors that investing in the country is worth it." Also, major papers cover Argentine President Kirchner's speech at the UN General Assembly in which he said that human rights should be honored in the global war on terrorism, pleaded for multilateralism, questioned IMF prescriptions and made a new claim about the Malvinas issue and the First World's environmental policy. Leading "Clarín" carries an editorial on the Non Aligned Movement Meeting underscoring that "it could promote dialogue between Southern countries and developed countries."

2. OPINION PIECES

- "'We follow negotiations with investors with a lot of interest'"

Ana Baron, Washington-based correspondent for leading "Clarín," comments (09/21) "The US Department of State is following with much interest the Argentine Government's initiative, which has just been launched in New York and is aimed at convincing US investors that investing in the country is worth it."

"Yesterday, US Assistant Secretary for Western Hemisphere Affairs Tom Shannon unexpectedly asked for a meeting with Minister Julio de Vido and Cabinet Chief Alberto Fernandez."

"At the end of the meeting, Shannon told 'Clarín' 'we are very interested in Argentina's talks with US investors.' 'We follow those talks with much interest.'"

"The USG official explained that the private meeting he held with two ministers of Kirchner is part of a 'continuous and fluent' dialogue between the US and Argentina. They talked about Venezuela's entry into Mercosur, the negotiations between Argentina and Bolivia to reach a deal for gas purchase, Argentina's deal with Paraguay for energy supply, and they also spoke about investment."

"Shannon told 'Clarín' 'with the arrival of new US Ambassador Tony Wayne in Buenos Aires, we will further talks and the bilateral relationship for the mutual interest of the two countries.' Based on his words, speculation that Wayne could become a new Braden... seems to be wrong. Shannon denied the rumor that he had a meeting with Lavagna in Washington, which had been arranged by Ambassador Octavio

Bordon.

"Asked why the US opposed two IDB loans for Argentina if the relationship between the two countries is good, Shannon replied 'it is a huge mistake to see voting as a way of rewarding countries or not.' He added 'our Treasury Department has its own way of seeing things and sometimes they believe that development banks should not grant certain kinds of loans; it has nothing to do with the bilateral relationship.'

"The two loans were granted in spite of US opposition. One of them, for 580 million dollars, is for the energy sector. The US abstained from voting due to the fact that the Argentine Government had not raised public service rates. The other loan, for 50 million dollars, is for a satellite system, a project that the US never supports due to security reasons. Shannon added that 'in the future, we must find the opportunity to explain ourselves so that what we do is better understood,' but he did not deny that public service rates and security were the reasons for (US) opposition."

- "Bush makes a gesture aimed at softening the (bilateral) relationship"

Hugo Alconada Mon, Washington-based correspondent for daily-of-record "La Nacion" on special assignment in New York, writes (09/21) "A half hour before President Kirchner spoke at the UN General Assembly, the White House official for Latin America and the Argentine Government's two highest-ranking officials met in private with a sensitive agenda - assessing the Argentine interest in attracting investment and discussing the possibility that Venezuela could enter the UN Security Council."

"(Secretary) Tom Shannon, Alberto Fernandez and Julio De Vido met outside of the UN headquarters, just hours after Venezuelan President Hugo Chavez called George W. Bush 'devil' and before Kirchner tacitly criticized the White House's strategies in the global war on terrorism, which shocked the country."

"According to Fernandez, 'Shannon conveyed to us the USG's willingness to have the best relationship with Argentina.'

"... Shannon asked about the plan to attract investment so as to improve its ratio on GDP. According to a source, 'they spoke about US investment in the country.'

"De Vido participated in the meeting due to his role in capturing new investment, but also for his ties with two of the Latin American countries raising most concern the US - Venezuela and Bolivia."

"... 'The Bush administration is pleading for Venezuela not to enter the UN Security Council. Its candidate, Guatemala, could lose the candidacy... The US, along with Chile, could encourage a third candidate so that both Venezuela and Guatemala decline their candidacies and Latin America seeks a third candidate.'

"Nevertheless, the Argentine Government disagrees with Washington. One Argentine diplomat told 'La Nacion' that 'the more isolated Chavez is, the more radical he will become. In order to put a brake on him, he needs some room. He should enter the UN Security Council and say what he wishes if he wants to...'

"A few minutes after the Fernandez, De Vido and Shannon meeting, Kirchner criticized Bush and some of his strategies in his 'global war on terrorism.' Kirchner criticized him without naming him, but it was made clear that he referred to the CIA clandestine prisons, wire tapping without prior judicial order and Guantanamo centers of detention."

"Kirchner's speech sparked diverse reaction. Republican 'hawks' repudiated his speech. Moderate Republicans downplayed the impact of his speech on the bilateral relationship, and Democrats opted for silence."

"Otto Reich, the first Assistant Secretary of State for Latin America appointed by Bush, said 'the relationship between the two presidents does not exist. It is restricted to what diplomacy"

requires;' 'this kind of speech does not pass unnoticed in Washington.'

"Considered a 'hawk', Reich said that there will not be any official response to Kirchner's speech, but 'if he happens to be in trouble again, his speech will be taken into account...'

"Roger Noriega, Reich's successor, agreed with him in defining Kirchner's speech as that of a 'no-friend of the US,' of someone who seeks a unilateral road, who wants to take benefits, but does not make any effort to create a relationship or confidence.'

"Michael Shifter, a well-known analyst on the region and VP of Inter American Dialogue, recalled the framework: 'Compared with Chavez's discourse, Kirchner's was a model of moderation and self-control.' 'The relationship between the Bush and Kirchner administrations is neither warm nor antagonistic.'"

- "Kirchner criticized the US at the UN"

Martin Rodriguez Yebra, on special assignment in New York for daily-of-record "La Nacion," comments (09/21) "President Nestor Kirchner warned yesterday in his speech the UN General Assembly that if human rights are violated in fighting terrorism, then 'the only victor in said fight will be terrorism.'

"Without mentioning the US, he referred to the Bush administration's foreign policy. He also bluntly condemned any terrorist act and urged multilateral institutions to seek peace in the Middle East.

"... Kirchner defended his administration's human rights policy, and devoted only one paragraph to raising questions about IMF prescriptions... However, the focus of his message was the lack of proportion in the use of force in the Middle East war and his criticism of the White House's antiterrorist policy. He added that 'steady progress in the struggle against terrorism will only be made by honoring local and international legislation.'"

- "Kirchner defends multilateralism in veiled criticism of Bush"

Business-financial "El Cronista" reports (09/21) "President Nestor Kirchner gave an address to the 61st UN General Assembly in New York. His speech was far from Venezuelan President Hugo Chavez's exhibition of rudeness...

"Nonetheless, the Argentine president did not miss the opportunity to question US unilateral action in the global war on terrorism and

criticize the IMF, which he accused of not supporting the achievements of the Argentine economy during recent years. He also made a claim about (Argentine) sovereignty over the Malvinas Islands.

"Kirchner asked for a multilateral action against terrorism based on 'legitimacy.'"

13. EDITORIALS

- "The Non Aligned Movement's role"

An editorial in leading "Clarín" reads (09/21) "The re-launching of the Non Aligned Movement... may be understood in two ways. It may be seen as a confrontation with the US, but it can also be considered a search for greater international balance based on a new dialogue between the North and the South and cooperation among developing countries.

"... The Non Aligned Movement brought together leaders who posed an open confrontation to the US policy and others who have a closer relationship with Washington. Some challenging statements were made, such as those by the presidents of Iran and Venezuela, but there were also deals just like that between India and Pakistan to resume peace negotiations and act together against terrorism.

"This means that the group may contribute to deactivating and peacefully solving conflicts and promoting dialogue among Southern

countries and between Southern countries and developed countries."

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